

Department of Natural Resources

DIVISION OF OIL AND GAS

550 W. 7th Avenue Suite 1100 Anchorage, Alaska 99501-3560 Main: 907.269.8800 Fax: 907.269.8939

February 18, 2022

Keegan Fleming Environmental Specialist Hilcorp North Slope, LLC 3800 Centerpoint Dr Ste #1400 Anchorage, AK 99503

RE: LONS 72-015, Hilcorp North Slope, LLC, Prudhoe Bay Unit, M Pad, Two New Development Wells Unit Plan of Operations Amendment Decision.

Dear Mr. Fleming:

The Alaska Department of Natural Resources, Division of Oil and Gas (Division), in accordance with Alaska Statute 38.05 and Alaska Oil and Gas Leasing Regulations (11 AAC 83) grants authorization to conduct activities on state lands as proposed in the Prudhoe Bay Unit (PBU) Plan of Operations (Plan) amendment application dated January 21, 2022 for the above referenced project.

Scope:

Hilcorp North Slope, LLC (HNS) is seeking authorization to drill two new development wells and install associated infrastructure at M Pad, located within the PBU. The new wells will be located within the existing well row on M Pad. Associated infrastructure to be installed includes wellhouses, heat tracing, power and instrumentation cables, and tie-in piping and electrical lines. Approximately 2,200 feet of new piping will be installed to connect the wells to the existing pipe rack and pipe header system. Drilling waste will be transported to an approved grind and inject facility. Some waste may be stored at the drilling waste monofil, located on A Pad. Project work is expected to begin in March of 2022.

This authorization approves only installation and replacement activities that are directly associated with the Unit Plan of Operations for M Pad within the PBU.

Plan activities include:

- Drilling two new wells.
- Installing associated infrastructure, including wellhouses, heat tracing, power and instrumentation cables, and tie-in piping and electrical lines.
- Transporting drilling waste to an approved grind and inject facility, or for storage at the drilling waste monofil on A Pad.

LONS 72-015, HNS, PBU, M Pad 2 New Development Wells Unit Plan of Operations Amendment Decision

Location information:

PBU M Pad

Meridian: Umiat Township: 11N Range: 12E Section: 1

70.3371, -148.9592 NAD83 ADL: 28260 and 28282

M Pad is located approximately 15 miles northwest of Deadhorse and 15 miles east of the Kuparuk Airport.

Agency review:

The Division provided a review and comment opportunity for the activities considered for the authorization under this decision. The following government entities were notified on Friday, January 28, 2022, for comment on the Plan: US Army Corp of Engineers (USACE), Alaska Department of Environmental Conservation (ADEC), Alaska Department of Fish and Game (ADF&G), and Alaska Department of Natural Resources: Divisions of Mining, Land & Water (DMLW) and Oil and Gas (DOG), and the North Slope Borough (NSB). The comment deadline was 4:30 pm Alaska time on Friday, February 11, 2022. No comments were received.

Conditions/Stipulations:

A certified As-Built Survey of the activity shall be provided within one year of placement of the improvement. This As-Built must contain a hard copy, as well as a digital GIS file containing a shapefile or ESRI Feature Class.

Please attach this amendment approval with the original decision. This unit operations amendment approval is issued in accordance with Alaska Statute 38.05, Alaska Administrative Codes 11 AAC 83.346 and 11 AAC 83.303. The Division reviewed this amendment under the unit regulation for the Plan, 11 AAC 83.346, and considers the factors set forth in 11 AAC 83.303(a) and (b). The amendment was also evaluated against the PBU agreement for conformance.

This approval signifies only that the State of Alaska has no objection to the operations outlined in the Plan amendment application. It does not constitute certification of any property right or land status claimed by the applicant nor does it relieve the applicant of responsibility to obtain approvals or permits from other persons or governmental agencies that may also be required. All stipulations contained in the original lease and subsequent Plan approvals remain in full force and effect.

If activities have not commenced, this approval expires on February 18, 2025. Failure to comply with the terms and conditions outlined in the lease, the attached stipulations, and this authorization may result in revocation of this unit operations approval.

Any questions or concerns about this amendment may be directed to Natural Resource Specialist Jacob Rowland at (907) 269-8570 or emailed to jacob.rowland@alaska.gov.

LONS 72-015, HNS, PBU, M Pad 2 New Development Wells Unit Plan of Operations Amendment Decision

Sincerely,

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James Hyun

Natural Resource Specialist

A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of "issuance" of this decision, as defined in 11 AAC 02.040(c) and (d) and may be mailed or delivered to the Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918, or sent by electronic mail to dnr.appeals@alaska.gov. Under 11 AAC 02.030, appeals and requests for reconsideration filed under 11 AAC 02 must be accompanied by the fee established in 11 AAC 05.160(d)(1)(F), which has been set at \$200 under the provisions of 11 AAC 05.160 (a) and (b). This decision takes effect immediately. If no appeal is filed by the appeal deadline, this decision becomes a final administrative order and decision of the department on the 31st calendar day after issuance. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

Attachments: Figures 1-2

2018 North Slope Mitigation Measures

ecc: DOG: Graham Smith, James Hyun, Mark Henspeter, Ashley Ethridge, Alexander Zinck,

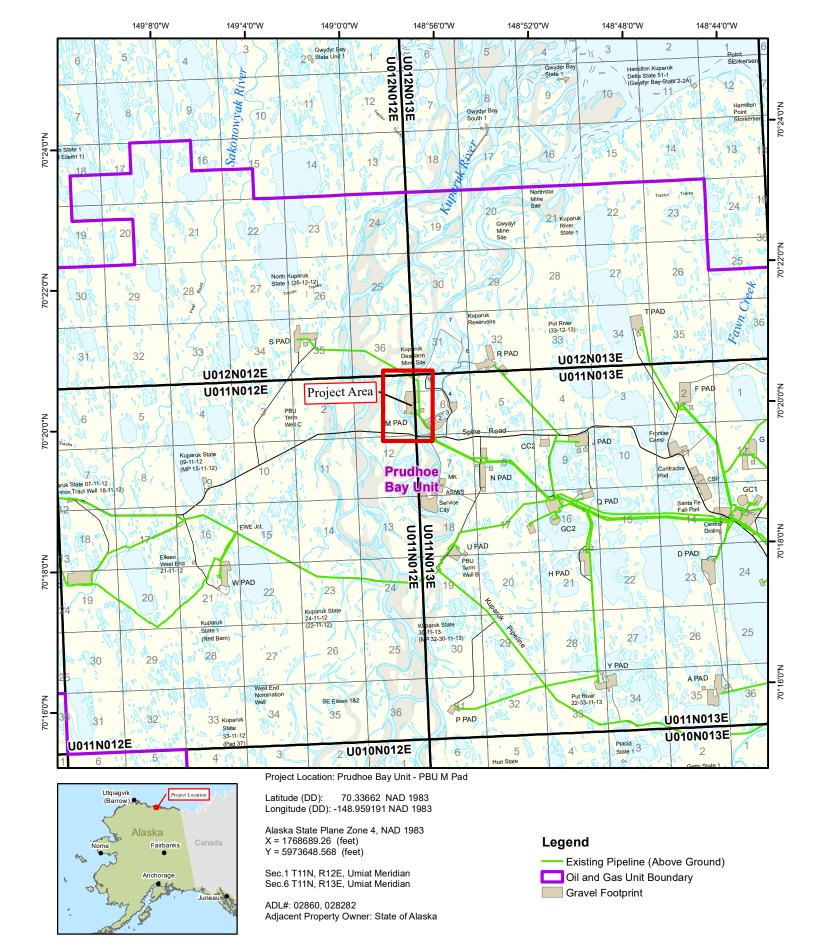
DOG Units and SPCO Records

DMLW: DMLW North Slope and Henry Brooks ADF&G: Chelsea Clawson and Maria Wessel

ADEC: Laurie Silfven

Borough: North Slope Borough Planning and Permitting

Other: USACE





Prudhoe Bay Unit
PBU M Pad
Proposed Well Locations
Vicinity Map

